UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

RR DONNELLEY FINANCIAL, INC., a Delaware Corporation, RRD FINANCIAL OF NEW YORK CITY, L.L.C., a New York L.L.C., Plaintiffs, vs. ROBERT J. MUELLER, an individual, and MERRILL CORPORATION, a Minnesota Corporation, Defendants.	Case No. ____________

DECLARATION OF JOHN BATT IN SUPPORT OF PLAINTIFFS' MOTION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION

I, John Batt, declare as follows:

1. I am the Northeast Managing Director of Sales employed in the New York, New York office of RR Donnelley Financial, Inc. f/k/a Bowne & Co., Inc. (hereinafter, "RRD"). I make this declaration of my own personal knowledge, and, if called as a witness, I could and would testify competently to the matters stated herein.

2. RRD provides integrated communications services, including premedia, printing, logistics and business process outsourcing services, to more than 60,000 customers worldwide.

3. As a managing director of sales for RRD, I manage sales executives assigned to my region, providing the sales executives with extensive sales, marketing, and administrative support.

4. One of the sales executives I helped manage at RRD was former Senior Vice President of sales, Robert J. Mueller ("Mueller"). Effective August 16, 2011, RRD terminated Mueller's employment for "Cause."

5. Mueller began his employment with Bowne & Co., Inc. ("Bowne") on June 1, 1992.

6. In February 2010, RR Donnelley & Sons Company ("RR Donnelley") announced that it would purchase Bowne, including Bowne subsidiary Bowne of New York City, L.L.C.

7. RR Donnelley began the acquisition process shortly thereafter, and completed its purchase on November 24, 2010 for a total of $481 million. Around this time, Bowne & Co., Inc. changed its name to RR Donnelley Financial, Inc. and Bowne of New York City, L.L.C. changed its name to RRD Financial of New York City, L.L.C. RRD Financial of New York City, L.L.C. remains a wholly-owned subsidiary of RR Donnelley Financial, Inc.

8. The primary asset RR Donnelley paid $481 million to purchase was Bowne's customer relationships and the goodwill maintained by the Bowne sales force, including Mueller.

9. The global integrated communications industry is a relationship-driven business. Because customer relationships and knowledge of customer needs is such a primary part of RRD's business, RRD devotes substantial resources to developing its customer relationships and to training its sales personnel to build, cultivate and nurture these relationships.

10. In addition to providing generous guaranteed salaries, RRD provides its sales professionals with an entire team devoted to sales support, and an ample annual budget to entertain and socialize with and develop RRD clients. Specific to Bob Mueller, over the last five

years alone RRD has spent more than $500,000 in expenses to support Mueller's efforts to develop strong relationships with his clients.

11. RRD also maintains a robust sales training program where new employees learn RRD's confidential operations and techniques. Employees also receive ongoing training throughout their careers at RRD, and RRD expends resources to make sure its employees are kept current on all the latest technical developments and product information.

12. Over the course of his 19 year employment with RRD, Mueller was given and developed a substantial customer base, amounting to several million dollars a year in sales, over half of which was derived from RRD customers located in Australia.

13. Mueller's entire customer base was obtained and/or developed through significant resources expended by RRD over the course of his employment, and while he was being generously compensated to obtain and develop the same.

14. For example, RRD has funded approximately 10 Mueller sales trips to Australia to build and develop those customers at an average cost of $20,000 per sales trip.

15. In addition to those expenses, RRD provided Mueller with a very generous client entertainment and development reimbursement account throughout his employment. Over the last five years, RRD has expended over $500,000 for costs associated with Mueller's client entertainment and development, not including shared company resources such as tickets to sporting events and concerts.

16. RRD protects its investment in its key employees like Mueller through employment agreements that contain restrictions on employees' employment and post-employment activities.

17. On January 30, 2006, in consideration for substantial compensation and benefits, including, among other things, a term agreement for five years, $225,000 in guaranteed compensation a year, a sign on and stay on bonus of $50,000, deferred compensation of $100,000, a $7,200 per year car allowance, and the elimination of any deficits, Mueller signed an Agreement Regarding Confidentiality, Intellectual Property and Non-Solicitation of Employees (hereinafter, "Confidentiality Agreement"), and an Agreement Regarding Employment, which contained Noncompetition and Nonsolicitation provisions. Attached hereto as Exhibits 1 and 2, respectively, are true and correct copies of Mueller's Confidentiality Agreement and Agreement Regarding Employment.

18. At the beginning of 2011, Mueller's 2006 employment agreement came to the end of its five-year term. Throughout 2011, we attempted to negotiate a new contract with Mueller. During the course of our negotiations with Mueller, I started to become suspicious that he was not genuinely interested in entering into a new agreement with RRD. At one point, we offered him a new five year contract with significantly improved terms and guaranteed minimum annual compensation of $500,000 in the first and second years and $400,000 in the final three years, as well as a $150,000 cash signing bonus. This was effectively double the compensation of his prior agreement. Mueller rejected that proposal and told us he wanted a guaranteed contract with annual minimums of $750,000 per year and a larger signing bonus. That was nearly triple his average commissions during the prior five-year term and was so out of line that I began to suspect that he had already made the decision to leave RRD.

19. In late July 2011, Mueller told me that he was taking a family vacation to the New Jersey shore. When he returned, Mueller told me that he had spent a relaxing time at the beach with his family and fishing with his son.

20. Also around that time, I became aware that a key RRD client assigned to Mueller, Validus Holdings Limited, chose not to do a tender offer (valued at several hundred thousand dollars) and an S-3 filing (valued at $20,000 to $50,000) with RRD, despite the fact that RR Donnelley had handled the majority of its financial printing needs for several years.

21. In early August, I was told by former RRD employee Ruth Trance, who supported Mueller as his Customer Service Representative that Validus was doing an S-3 filing with Merrill.

22. As a result of this and other suspicious incidents involving Mueller, on August 12, 2011, I was asked by the Company and authorized to review Mueller's work email account for suspicious activity.

23. During my search of Mueller's emails, I uncovered the following emails:

24. Attached hereto as Exhibit 3 is a true and correct copy of July 26, 2011 email exchange between Merrill executive Boyd McKoane, Validus executive Robert Kuzloski, and Mueller. In this exchange, Mr. McKoane thanks Mr. Kuzloski for the "new business." Mr. Kuzloski then forwards the email to Mueller stating "Bob, FYI. I assume you will get credit for this."

25. Attached hereto as Exhibit 4 is a true and correct copy of a June 27, 2011 email exchange between Mueller and a travel agent which arranges an itinerary for a trip to Australia July 23, 2011 to August 2, 2011. This is the same week Mueller told me that he would be

vacationing with his family in New Jersey. The itinerary includes flights to Sydney, Melbourne, and Perth, which are the locations of Mueller's key RRD customers. In this exchange, Mueller specifies that he will be paying for the trip out of his own pocket. Mueller did not tell me that he was making a sales trip to Australia. One year earlier, Mueller had visited these same cities on behalf of RRD in order to strengthen and enhance his RRD client relationships.

26. Attached hereto as Exhibit 5, is an email from Mueller in which he describes sitting on the runway preparing for his flight to takeoff the evening of July 22, 2011. Although a sales trip to Australia would normally generate dozens of business emails, there was very little activity on Mueller's RRD email account while he was in Australia. In another email I reviewed, Mueller instructs the recipient to use his personal email account rather than his RRD account.

27. On August 5, 2011 Mueller sent to his personal email address a proposal for one of his key clients, Cravath, Swaine & Moore LLP. Because RRD provides for remote network access from any point where an employee has an internet connection, there was no legitimate business reason for Mueller to send this proposal to his personal email account. However, this would be useful if Mueller intended to try to transition this work from RRD to one of our competitors, such as Merrill.

28. On August 5, 2011 Mueller sent to his personal email address a confidential offering circular for one of his key client, Reynolds. There was no legitimate business reason for Mueller to send this proposal to his personal email account, but this would be useful if Mueller intended to try to transition this work from RRD to one of our competitors, such as Merrill.

29. On August 10, 2011 Mueller sent to his personal email address an invoice for one of his key clients, Rank Group Limited. There was no legitimate business reason for Mueller to

send this proposal to his personal email account, but this would be useful if Mueller intended to try to transition this work from RRD to one of our competitors, such as Merrill.

I declare under penalty of perjury under the laws of the State of New York and the United States that the foregoing is true and correct.

Executed this 17th day of August 2011, at New York, New York.

John Batt

MITCHELL GOLDSMITH
Notary Public, State of New York
No. 01GO6002905
Qualified in New York County
Commission Expires Feb. 17, 2014